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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

Competitive Price Changes)	Docket No. CP2023-42
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COMMENTS OF THE ASSOCIATION FOR POSTAL COMMERCE

(December 2, 2022)

Pursuant to Order No. 6327, the Association for Postal Commerce ("PostCom") submits these comments on the United States Postal Service's Notice concerning changes in rates and classifications of general applicability for Competitive Products, filed on November 10, 2022 and scheduled to take effect on January 22, 2023. The prices at issue in this proceeding are applied to the Postal Service's competitive products. Because the Postal Service ostensibly operates in competitive markets with respect to products on the competitive product list, the Commission's role in reviewing proposed rate changes is limited. Nevertheless, the Postal Service's proposal raises competitive concerns that warrant comment and attention by the Commission.

In the case of First-Class Package Service (FCPS), the Postal Service is proposing significant rate increases; greater in magnitude than any other competitive product. This increase follows close on the heels of deliberate degradation in service quality by changing FCPS service standards and switching from air transportation to surface.

The ability of any enterprise to simultaneously reduce quality while raising rates is direct evidence of excessive market power. Further, the proposed increase in this proceeding is merely

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the continuation of a pattern. Since the Commission approved the transfer of FCPS to the competitive product list, the Postal Service has consistently raised rates at a rate far in excess of inflation.

While the Commission may deem FCPS' status on the competitive products list to be beyond the scope of this proceeding, it has a responsibility to protect users of the Postal Service from unfair use of its monopoly power. If the Commission erred in permitting the transfer of FCPS to the competitive products list – and the Postal Service's pricing behavior strongly suggests that possibility – it should take all available steps to rectify that error.

Respectfully submitted,

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